

works in the Lighthouse Service, and for other purposes", approved June 20, 1918, as amended (33 U. S. C., sec. 763), is amended by striking out "who shall have reached the age of sixty-five years, after having been thirty years in the active service of the Government," and inserting in lieu thereof the following: "who (1) shall have reached the age of sixty years, after having been thirty years in the active service of the Government, or (2) shall have reached the age of sixty-two years, after having been twenty-five years in the active service of the Government,".

SEC. 2. This Act shall take effect on the first day of the second month beginning after the date of enactment of this Act.

Approved June 21, 1955.

40 Stat. 608.

Effective date.

Public Law 88

CHAPTER 171

AN ACT

To amend the Servicemen's Readjustment Act of 1944 to extend the authority of the Administrator of Veterans' Affairs to make direct loans, and to authorize the Administrator to make additional types of direct loans thereunder, and for other purposes.

June 21, 1955
[S. 654]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 512 of the Servicemen's Readjustment Act of 1944 (38 U. S. C., sec. 6941) is hereby amended to read as follows:

"SEC. 512. (a) (1) Upon application by a veteran eligible for the benefits of this title, the Administrator is authorized and directed to make, or enter into a commitment to make, the veteran a loan for any of the following purposes:

"(A) To purchase or construct a dwelling to be owned and occupied by him as a home;

"(B) To purchase a farm on which there is a farm residence to be occupied by the veteran as his home;

"(C) To construct on land owned by the veteran a farm residence to be occupied by him as his home; or

"(D) To repair, alter, or improve a farm residence or other dwelling owned by the veteran and occupied by him as his home; if the Administrator finds that in the area in which the dwelling, farm, or farm residence is located or is to be constructed, private capital is not available for the financing of the purchase or construction of dwellings, the purchase of farms with farm residences, or the construction, repair, alteration, or improvement of farm residences or other dwellings, as the case may be, by veterans under this title. In case there is an indebtedness which is secured by a lien against land owned by the veteran, the proceeds of a loan made under this section for the construction of a dwelling or farm residence on such land may be expended also to liquidate such lien, but only if the reasonable value of the land is equal to or in excess of the amount of the lien.

"(2) No loan shall be made under this section to a veteran unless he shows to the satisfaction of the Administrator—

"(A) that he is a satisfactory credit risk;

"(B) that the payments to be required under the proposed loan bear a proper relation to the veteran's present and anticipated income and expenses;

"(C) that he is unable to obtain from private lending sources in such area at an interest rate not in excess of the rate authorized

Veterans' loans.

64 Stat. 75.

Purposes.

Conditions.

for guaranteed home loans a loan for such purpose for which he is qualified under section 501 of this title; and

50 Stat. 522; 63
Stat. 413.
7 USC 1000; 42
USC 1441 note.
64 Stat. 76.
38 USC 6941 (b).

“(D) that he is unable to obtain a loan for such purpose from the Secretary of Agriculture under the Bankhead-Jones Farm Tenant Act, as amended, or under the Housing Act of 1949.”

SEC. 2. (a) Subsection (b) of such section is hereby amended by striking out clauses (A) and (B) and inserting in lieu thereof the following:

“(A) the original principal amount of any such loan shall not exceed an amount which bears the same ratio to \$10,000 as the amount of guaranty to which the veteran is entitled under section 501 at the time the loan is made bears to \$7,500;

“(B) the guaranty entitlement of the veteran shall be charged with an amount which bears the same ratio to \$7,500 as the amount of the loan bears to \$10,000;”.

Prior Commit-
ments.

(b) The amendments made by this section shall not apply with respect to loans or commitments made under such section 512 prior to the date of enactment of this section.

SEC. 3. Subsection (d) of such section is hereby amended by striking out “section 501 (b)” and inserting in lieu thereof “section 501”.

SEC. 4. (a) Subsection (e) of such section is hereby amended to read as follows:

Repayment.

“(e) Loans made under this section shall be repaid in monthly installments; except that in the case of loans made for any of the purposes described in clause (B), (C), or (D) of paragraph (1) of subsection (a), the Administrator may provide that such loans shall be repaid in quarterly, semiannual, or annual installments.”

Applicability.

(b) The amendment made by this section shall apply only with respect to direct loans held by the Administrator on the date of enactment of this Act and direct loans made by the Administrator on or after such date.

SEC. 5. Such section is hereby further amended by adding at the end thereof the following:

Limitation.

“(f) No veteran may obtain loans under this section aggregating more than \$10,000.”

68 Stat. 757.
38 USC 6941.

SEC. 6. (a) Clause (C) of subsection (b) of such section is hereby amended by striking out “June 30, 1955” and inserting in lieu thereof “June 30, 1957”.

68 Stat. 757.
38 USC 6941m(a).

(b) Subsection (a) of section 513 of such Act is hereby amended by striking out “June 30, 1955” and inserting in lieu thereof “June 30, 1957”.

68 Stat. 757.
38 USC 6941m(c).

(c) Subsection (c) of such section 513 is hereby amended by striking out “June 30, 1956” and inserting in lieu thereof “June 30, 1958”.

66 Stat. 64; 68
Stat. 757.
38 USC 6941m(d).

(d) The first sentence of subsection (d) of such section 513 is hereby amended by striking out all beginning with “June 30, 1955” and inserting in lieu thereof “June 30, 1957, such additional sums (not in excess of \$150,000,000 in any one fiscal year) as the Administrator may request, except that the aggregate so advanced in any one quarter annual period shall not exceed the sum of \$50,000,000 less that amount which had been returned to the revolving fund during the preceding quarter annual period from the sale of loans pursuant to section 512 (d) of this title.”

Effective date.

(e) The amendments made by this section shall take effect as of June 30, 1955.

Approved June 21, 1955.